

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

Bay State Gas Company

D.T.E. 05-27

**ATTORNEY GENERAL'S TWENTY-SECOND SET OF
DOCUMENT AND INFORMATION REQUESTS**

The following are the Attorney General's TWENTY-SECOND SET of discovery and information requests.

- AG-22-1 Refer to the response to AG-1-72. Please provide all workpapers, calculations, data and assumptions supporting the Company's year end unbilled revenue. Using the methods and computations described in this response, calculate the unbilled revenue for each customer class for the year end 2003 and compare to actual class revenues for December 2003. Explain any class variance of 1% or greater.
- AG-22-2 Refer to the Company's response to AG-7-23, the Excel file-- CompleteMassDTE2004 version 3.xls, worksheet, 48A, columns O and P, lines 14-26. Please explain, in detail the calculations contained in these cells and how they relate to the Company's proposed cost of service. Include all supporting assumptions, calculations, workpapers and specific references to related data in the Company's filing and information responses.
- AG-22-3 Refer to the Company's response to AG-7-23, the Excel file-- CompleteMassDTE2004 version 3.xls, worksheet, 48A, lines 72-135. Please explain, in detail, what this section represents.
- AG-22-4 Please refer to the Company's response to AG-1-72 and the Company's Annual Return to the Department for 2004, page 44. Please explain how the unbilled revenue in the Annual Return was determined. If the method used to develop the Annual Return value was different from that explained in the response to AG-1-72, explain the difference. Explain why the unbilled revenue unit price is \$28.00, a number that is significantly higher than the unit price for billed revenues. Provide all calculations, workpapers and assumptions supporting the unbilled revenue in the Annual Return--both as hard copies and working spreadsheet models.
- AG-22-5 Please refer to the Company's response to AG-1-72 and the Company's Annual Return to the Department for 2004, page 48A. Please explain how the Purchase gas cost-unbilled revenues in the Annual Return (page 48A,

line 36) was determined. If the method used to develop the Annual Return value was different from that explained in the response to AG-1-72, explain the difference. Provide all calculations, workpapers and assumptions supporting the unbilled revenue in the Annual Return--both as hard copies and working spreadsheet models.

- AG-22-6 Please refer to the Company's Annual Return to the Department for 2004, page 48A. Please provide this data broken down by gas supply contract, transportation agreement, storage agreement and any other category of supply cost (i.e., spot purchases).
- AG-22-7 Please refer to the Company's response to AG-7-16. Please explain, in detail, the function of each of the spreadsheet models provided. Include a table that lists each spreadsheet by file name with a brief description of its function and its relationship to other spreadsheets provided in the response to AG-7-16.
- AG-22-8 Refer to Schedule JLH-2-1. Please explain, in detail, how the "Adjustment for Weather and Deferred Gas Revenues" was calculated. Reconcile this "adjustment" with the "adjustments" in columns 5 and 6, Schedule JAF 1-1. Provide all workpapers, calculations and assumptions.
- AG-22-9 Please provide fully allocated cost of service studies (Schedules JLH-2-1, JLH-2-2, JLH-2-3 and JLH-3-4) at the requested rate of return. These studies would have no deficiency. Include all supporting calculations, workpapers and assumptions. Include hard copies of all pages of the cost of service studies and working spreadsheet models. Explain each step taken to modify the existing models and provide file names and cell references to support the explanation of each change. The explanation should be sufficiently detailed so as to allow the reader to make the changes to the models provided in the Company's response to AG-7-16 and produce the same results--if this is not possible explain why.
- AG-22-10 Refer to the response to AG-7-22. Please modify this response or provide a table listing all allocators used in the cost of service studies; indicate for each allocator whether it was used in the cost allocation studies in the Company's last base rate case. If an allocator was not used in the last case, please explain the basis for the change. Identify as a change any allocator that is calculated differently than in the prior case.
- AG-22-11 Refer to the response to AG-7-22. Please modify this response to include references to where the elements used to develop each allocator are located in the Company's filing. The references should be very specific (exhibit/schedule numbers, page and line numbers).
- AG-22-12 Refer to Schedule JLH-1-7, Proposed Cost of Gas Adjustment Clause--redlined. Please explain the operation of the bad debt recovery mechanism in the proposed CGA tariff (Section 15, proposed). Compare the proposal to the current approved method. Is it the Company's intent to recover dollar for dollar the cost of all CGA costs written off?
- AG-22-13 Please provide copies of all policies and procedures that govern the

Company's collection practices. Include copies of all official policies, internal memos and training materials. If the Company uses any third party collection agents, please provide complete copies of all contracts governing the contracted services.

- AG-22-14 Refer to Exhibit JAF-3, page 13. Does the SMBA allocation method replicate the way the Company procures its gas supplies to serve its various customer classes? Compare and contrast the actual resource procurement process to the assumptions underlying the SMBA.
- AG-22-15 Under the operation of the proposed SMBA, will all CGA customers be allocated a portion of all gas costs? Please discuss the response in terms of why some customers that use gas during the winter may be allocated proportionately less (or no) peaking supply costs.
- AG-22-16 Refer to Exhibit JAF-3, page 15. Are there any utilities under the Department's jurisdiction that are recovering lost base revenues as part of their PBR adjustment mechanism, in addition to a energy efficiency adjustment made to sales volumes? Please citations to all Department orders approving such recovery.
- AG-22-17 Is the use of "Cromwell Waivers" standard practice in Massachusetts? What other Massachusetts LDCs use Cromwell Waivers? Please provide a copy of a Cromwell Waiver. Is this a standard form? If not, please explain what specific language or characteristics make-up such a document. Has the Department explicitly approved the use by any LDC of Cromwell Waivers?
- AG-22-18 Refer to Schedule BSG/JAF-3-1, MDTE 35, page 10-1. How is the Company's "Gas Allowance" determined? Please provide the allowance calculations for the years 2000-2005. What was the amount of "Gas Allowance" provided by suppliers for each of the years 2000-2004. How does the Company account for the gas provided to the Company by suppliers as "Gas Allowance?" Is any benefit flowed through the CGA? How do these volumes affect the Company's unaccounted for gas?
- AG-22-19 Refer to Schedule BSG/JAF-3-1, MDTE 35. Please provide a copy of the Company's "Supplier Service Agreement."
- AG-22-20 Refer to Schedule BSG/JAF-3-1, MDTE 35, page 13-11. Please provide the amount of the "capacity mitigation revenues" for each year 2000-2004. How does the Company account for these revenues? Do any benefits flow through the CGA? If no, please explain? If yes, provide the amounts for each year. Include all supporting documentation and calculations.
- AG-22-21 Refer to Schedule BSG/JAF-3-1, MDTE 35, page 14-1. Does the Company charge suppliers for "complete" billing? If yes, provide the amount of the fees received for complete billing for each year 2000-2004. Explain how the Company accounts for these fees. Are they credited to costs? Do customers receive any benefit of the fees--if yes, how?
- AG-22-22 Under what conditions does the Company pro-rate bills? Provide a copy

of the Company's pro ration policies and procedures. If these policies and procedures have been approved by the Department, please provide a copy of the order or communication approving the practice. Is the Company proposing to change its policy as the result of this case? If yes, please explain the proposal.

- AG-22-23 Under what conditions do the Company's tariffs allow the Company to deny to serve new residential customers? Include citations to the Company's tariff provisions.
- AG-22-24 Refer to Schedule BSG/JAF-3-1, MDTE 35, page 16-1. Please provide the gross peaking service revenues for each year 2000-2004. How does the Company account for these revenues? Are they flowed through the CGA? If not please explain why. If they flow through the CGA, how are the peaking service revenues allocated to the individual CGA classes? Please provide the documentation supporting the allocation from the actual 2004/05 CGA filings. Is the Company proposing any changes to this method--If yes, explain.
- AG-22-25 Please explain how the Company accounts for the revenue received from the mandatory assignment of capacity. Explain how the benefits flow through to the Company's CGA customers.
- AG-22-26 Please recalculate all affected allocators (used in the proposed costs studies and CGA) based on the use of design winter data in place of a design day data. Include all results, supporting workpapers, calculations and assumptions. Indicate whether the design winter and design day data is the same data used in the Company's most recently approved Long Range Resource and Supply Plan. Provide both hard copies and working spreadsheet models.
- AG-22-27 Please recalculate all affected allocators (used in the proposed costs studies and CGA) based on the use of normal weather data in place of a design day data. Include all results, supporting workpapers, calculations and assumptions. Indicate whether the design winter and normal weather based data is the same data used in the Company's most recently approved Long Range Resource and Supply Plan. Provide both hard copies and working spreadsheet models.
- AG-22-28 Please provide the amount of shared margins, by category, for the years 2000-2005. Include the total margin, by category, computation of threshold and margin flowed through CGA and LDAC. Include all supporting documentation, workpapers, calculations and assumptions.
- AG-22-29 If the Company performed seasonal (peak and off peak) accounting cost of service studies, please provide hard copies of the complete studies and working spreadsheet models of these studies. Include all supporting workpapers, calculations and assumptions. If such studies were not performed, please explain why.
- AG-22-30 Please provide the number of Interruptible Transportation customers for each of the years 2000-2005. For each Interruptible customer, provide the

monthly volumes transported, the billed revenue and a copy of the contract in effect during the years 2000-present. The identities of the customers may be redacted but the contracts must be able to be identified with the appropriate customer and volume data.

- AG-22-31 Please provide the number of low income customers that were served by the Company in each month during each of the years 2000-2005. The data should be supplied separately for heating and non-heating customer.
- AG-22-32 Please provide a copy of all formal Company policies and procedures regarding the low income eligibility determination, education and termination. Have these policies and procedures been approved by the Department? If yes, please provide a copy of the approvals.
- AG-22-33 Please explain, in detail, how the Company determined the R-2 and R-4 bill determinants. Include all supporting documentation, workpapers, calculations and assumptions.
- AG-22-34 Please explain why, in performing the allocated accounting cost of service studies, the Company did not eliminate from the total company cost those costs that are recovered through the CGA and LDAC, rather than remove an allocated amount from each class for those costs in the computing the distribution cost of service study.
- AG-22-35 Refer to the response to AG-9-5. Please confirm that the Company has no record of historical actual monthly bill determinants by rate block. If this is true, how can the Company assure that the rate design determinants are accurate and that the weather normalized revenues are accurate?
- AG-22-36 Does the Company's billing system retain the actual monthly demand bill determinants? If not, how can the Company assure that the rate design determinants are accurate and that the weather normalized revenues are accurate? If yes, were these actual determinants used in the weather normalization calculations to determine normal revenues and rate design determinants--if not, please explain why and what was used.
- AG-22-37 Refer to the response to AG-7-15. What is the source of the "source data?" How is the data allocated to each month? Provide all supporting documentation, workpapers, calculations and assumptions. Include working spreadsheet models for all underlying calculations.
- AG-22-38 Refer to the response to AG-9-37. Will the Company need to run the same models if the proposed CGA is approved by the Department? Please provide working spreadsheet models that were used to develop the most recent peak CGA. Include another version that would be used to calculate the proposed CGA. Explain, in detail, how the models work and identify all input cells and source of input data.
- AG-22-40 Has the Company ever had an independent audit of its computer systems or individual components (billing, accounting, CIS, etc)? If yes, provide a copy of the scope of work performed, all reports and results of the audit and records of all modifications and corrective actions that were taken as a

result of the audit(s).

- AG-22-41 Refer to Schedule JLH-2-4. Please provide the basis for the allocation of Production Plant and related costs to the Delivery function. Include all supporting documentation with supporting citations to the Department's precedent regarding this type of allocation.
- AG-22-42 Refer to Schedule JLH-2-2. Please explain, in detail (account by account), how the allocations of the Metscan related costs (plant and expense) were made. Provide all supporting documents, workpapers, calculations, assumptions and correspondence/communications, internal and external, regarding the Metscan cost inclusion and allocation in the Company's proposed cost of service.
- AG-22-43 For each of the Company's current Special Contracts provide, for the years 2000-2003 and current year to date, the monthly billings and the corresponding bill determinants. Identify each customer by the code assigned in the response to AG-9-52. Provide all supporting workpapers, calculations and assumptions.
- AG-22-44 Refer to the Company's response to. Please provide revised exhibits to reflect the correction to the special contract revenues discussed in this response. Include an explanation of how each exhibit and schedule is affected. This should include the Company's proposed cost of service, the allocated cost of service studies, development of the rate design bill determinants and the individual class proposed rates.
- AG-22-45 Refer to the Company's response to AG-9-9. Please explain why there are no "new rate" revenues for the T-40 through T-53 classes. What do the class categories BS-T-P-40 through BS-T-P-52 represent? How are the rates for these classes designed, if not grouped with the G/T-40 through G/T-52 classes.
- AG-22-46 Refer to the Company's responses to AG-9-8 and AG-9-10. Please explain why the relationship of the Indirect Gas rate and GAF rates is not the same. In other words why are the R-3/4 GAF rates lower than the G-40 through G-43 rates but the R3/4 Indirect GAF rates are higher than the G-40 through G-43 rates in some months. Explain how the class specific allocations were made for each season. Include an explanation of how the bad debt costs were allocated. Explain how the bad debt costs and revenues were reconciled for each CGA class.
- AG-22-47 Refer to Schedule JLH-2-2. Was any attempt made to assign affiliate costs to the accounts that would have been booked had these costs been incurred by Bay State? Please include all internal and external communication or correspondence related to this issue (booking and allocation of affiliate costs).
- AG-22-48 Please provide the status of any and all agreements with Wyeth Pharmaceuticals. Provide copies of all contracts and agreements, amendments. Include all pricing terms. Include copies of all regulatory agency orders related to contracts with Wyeth.

- AG-22-49 Please provide the Company's policy and all applicable laws and regulations relating to leak classification. Please identify:
- (a) the number of leaks that were identified as class 2 leaks during the past 5 years;
 - (b) the number of leaks that were reclassified as class 2 leaks during the past 5 years.
- Please provide explanations for all reclassifications.
- AG-22-50 Identify the Company's policy regarding meter cellar checks. Explain steps taken by the Company to ensure compliance with its policy.
- AG-22-51 Provide the Company's policy regarding gas box pave-overs. Explain steps taken by the Company to ensure compliance with its policy. Identify the number of gas box pave-over incidents in the past 5 years. For each gas box pave-over incident, please describe how the Company was made aware of the pave-over and what action was taken to remedy the situation.
- AG-22-52 Explain the procedures employed by the Company to ensure that its system maps are current and continually updated. Provide copies of related Company policies and applicable laws and regulations.
- AG-22-53 Please indicate under what circumstance, if any, the Company takes messages from customers (via voicemail or otherwise) at the call center. Describe how the messages are recorded in terms of service quality guidelines.
- AG-22-54 Regarding the call centers, please indicate:
- (a) how costs are allocated to the service territories (ME, NH, MA);
 - (b) how the Company ensures that its employees in the call center receive the representative proportion of calls from each service territory (i.e. ME, NH, MA).

DATED: June 20, 2005.